

S 2600 IS

106th CONGRESS
2d Session
S. 2600

To amend title XVIII of the Social Security Act to make enhancements to the critical access hospital program under the medicare program.

IN THE SENATE OF THE UNITED STATES

May 22, 2000

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to make enhancements to the critical access hospital program under the medicare program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Critical Access Hospital Enhancement Act of 2000'.

SEC. 2. ENHANCEMENTS TO CRITICAL ACCESS HOSPITAL (CAH) PROGRAM.

(a) EXEMPTION FROM BAD DEBT REDUCTIONS- Section 1861(v)(1)(T) of the Social Security Act (42 U.S.C. 1395x(v)(1)(T)) is amended--

(1) by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively;

(2) by inserting '(i)' after '(T)'; and

(3) by adding at the end the following new clause:

'(ii) The reductions required by clause (i) shall not apply to critical access hospitals for cost reporting periods beginning on or after October 1, 1998.'

(b) EXEMPTION FROM PAYMENT REDUCTIONS AND FEE SCHEDULE FOR AMBULANCE SERVICES-

(1) EXEMPTION FROM FEE SCHEDULE-

(A) IN GENERAL- Section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)) is amended by adding at the end the following new paragraph:

`(8) INAPPLICABILITY OF FEE SCHEDULE TO CERTAIN

SERVICES- In the case of ambulance services (described in section 1861(s)(7)) that are provided in a locality by a critical access hospital that is the only provider of ambulance services in the locality, or by an entity that is owned and operated by such a critical access hospital--

`(A) the fee schedule established under this subsection shall not apply; and

`(B) payment under this part shall be paid on the basis of the reasonable costs incurred in providing such services.'.

(B) CONFORMING AMENDMENT- Section 1833(a)(1)(R) of the Social Security Act (42 U.S.C. 1395l(a)(1)(R)) is amended by inserting `(other than the ambulance services described in section 1834(l)(8))' after `ambulance service'.

(C) EFFECTIVE DATE- The amendments made by this paragraph shall take effect as if included in the enactment of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 251).

(2) EXEMPTION FROM REASONABLE COST REDUCTIONS-

Section 1861(v)(1)(U) of the Social Security Act (42 U.S.C.

1395x(v)(1)(U)) is amended by inserting after the first sentence the following new sentence: `The reductions required by the preceding sentence shall not apply in the case of ambulance services that are provided in a locality on or after October 1, 1998, by a critical access hospital that is the only provider of ambulance services in the locality, or by an entity that is owned and operated by such a critical access hospital.'.

(c) EXEMPTION FROM HOME HEALTH PAYMENT LIMITS AND PPS-

(1) EXEMPTION FROM COST LIMITS- Section 1861(v)(1)(L) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)) (as amended by section 303 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-360), as enacted into law by section 1000(a)(6) of Public Law 106-113) is amended by adding at the end the following new clause:

`(xi) The preceding provisions of this subparagraph shall not apply to home health services that are furnished on or after October 1, 1998, by a home health agency that is--

`(I) the only home health agency serving a locality; and

`(II) owned and operated by a critical access hospital.'.

(2) EXEMPTION FROM PPS-

(A) IN GENERAL- Section 1895 of the Social Security Act (42 U.S.C. 1395fff) is amended by adding at the end the following new subsection:

`(e) EXCEPTION- The prospective payment system established under this section shall not apply in determining payments for home health services furnished by a home health agency that is--

`(1) the only home health agency serving a locality; and

`(2) owned and operated by a critical access hospital.'

(B) CONFORMING AMENDMENT- Section 1833(a)(2)(A) of the Social Security Act (42 U.S.C. 1395l(a)(2)(A)) is amended by inserting `home health services described in section 1895(e) and' after `other than'.

(C) EFFECTIVE DATE- The amendments made by this paragraph shall take effect as if included in the enactment of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 251).

(d) PAYMENT FOR SWING BED SERVICES-

(1) EXEMPTION FROM PPS FOR SKILLED NURSING FACILITY SERVICES- Section 1888(e)(7) of the Social Security Act (42 U.S.C. 1395yy(e)(7)) is amended--

(A) in the heading, by striking `TRANSITION FOR' and inserting `TREATMENT OF';

(B) in subparagraph (A), by striking `IN GENERAL- The' and inserting `TRANSITION- Except as provided in subparagraph (C), the';

(C) in subparagraph (B), by striking `1883' and all that follows through `date)' and inserting `1883 (other than critical access hospitals)'; and

(D) by adding at the end the following:

`(C) TREATMENT OF SWING-BED SERVICES FURNISHED BY CRITICAL ACCESS HOSPITALS- The prospective payment system established under this subsection shall not apply to services furnished by a critical access hospital pursuant to an agreement described in section 1883.'

(2) PAYMENT BASIS FOR SWING BED SERVICES FURNISHED BY CRITICAL ACCESS HOSPITALS- Section 1883(a) of the Social Security Act (42 U.S.C 1395tt(a)) is amended--

(A) in paragraph (2)(A), by inserting `(other than a critical access hospital)' after `any hospital'; and

(B) by adding at the end the following new paragraph:

`(3) Notwithstanding any other provision of this title, a critical access hospital shall be paid for services furnished under an agreement entered into under this section on the basis of the reasonable costs of such services (as determined under section 1861(v)).'

(3) EFFECTIVE DATES-

(A) The amendments made by paragraph (1) shall take effect as if included in the enactment of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 251).

(B) The amendments made by paragraph (2) shall apply to cost reporting periods beginning on or after October 1, 1998.

(e) PAYMENT BASIS FOR OUTPATIENT LABORATORY TESTS-

(1) PAYMENT ON COST BASIS WITHOUT BENEFICIARY COST-SHARING-

(A) IN GENERAL- Section 1833(a)(6) of the Social Security Act (42 U.S.C. 1395l(a)(6)) is amended by inserting `(including clinical diagnostic laboratory services furnished by a critical access hospital)' after `outpatient critical access hospital services'.

(B) NO BENEFICIARY COST-SHARING-

(i) IN GENERAL- Section 1834(g) of the Social Security Act (42 U.S.C. 1395m(g)) is amended by inserting `(except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services)' before the period at the end.

(ii) BBRA AMENDMENT- Section 1834(g) of the Social Security Act (42 U.S.C. 1395m(g)) (as amended by section 403(d) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-371), as enacted into law by section 1000(a)(6) of Public Law 106-113) is amended--

(I) in paragraph (1), by inserting `(except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services)' after `such services,'; and
(II) in paragraph (2)(A), by inserting `(except that in the case of clinical diagnostic laboratory services furnished by a critical access hospital the amount of payment shall be equal to 100 percent of the reasonable costs of the critical access hospital in providing such services)' before the period at the end.

(2) CONFORMING AMENDMENTS- Paragraphs (1)(D)(i) and (2)(D)(i) of section 1833(a) of the Social Security Act (42 U.S.C. 1395l(a)(1)(D)(i); 1395l(a)(2)(D)(i)) (as amended by section 403(e) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-371), as enacted into law by section 1000(a)(6) of Public Law 106-113) are amended by striking `or which are furnished on an outpatient basis by a critical access hospital' each place it appears.

(3) EFFECTIVE DATES-

(A) IN GENERAL- Except as provided in subparagraph (B), the amendments made by this subsection shall apply to services furnished on or after November 29, 1999.

(B) BBRA AMENDMENT- The amendment made by paragraph (1)(B)(ii) shall take effect as if included in the enactment of section 403(d) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-371), as enacted into law by section 1000(a)(6) of Public Law 106-113.

(f) ALTERNATIVE TO 15-BED LIMIT- Section 1820 of the Social Security Act (42 U.S.C. 1395i-4) is amended--

(1) in subsection (c)--

(A) in paragraph (2)(B)(iii), by striking 'provides' and inserting 'subject to paragraph (3), provides'; and

(B) by adding at the end the following new paragraph:

`(3) FLEXIBILITY ON BED LIMITS FOR CERTAIN FACILITIES-

Notwithstanding clause (iii) and subsection (f), a State may designate (and the Secretary may certify) a facility with more than 15 (or in the case of a facility under an agreement described in subsection (f), 25) acute care inpatient beds as a critical access hospital if--

`(A) the service area of the facility experiences substantial seasonal fluctuations in population;

`(B) the number of beds used by the facility for acute care inpatient services, determined on an average annual basis, does not exceed 15; and

`(C) in the case of a facility under an agreement described in subsection (f), the total number of beds used by the facility for either acute care or extended care services, determined on an average annual basis, does not exceed 25.'; and

(2) in subsection (f), by inserting '(or, in the case of a facility with a service area that experiences substantial seasonal fluctuations in population, so long as the facility meets the requirements of subparagraphs (B) and (C) of subsection (c)(3)' after '15 beds'.

END